

B163

ANEXO 2

- Documentos, Normas GMP, validaciones
- Fotocopia hoja BELMAC
- Índice de los dossiers de fabricación y control

B164

ANEXO 3

Los elementos para las fabricaciones de ETHYPHARM que además son propiedad de ésta, son los siguientes:

- 1 AUTÓMATA SIEMENS OP 393-II
- 1 CUADRO PROGRAMADOS DE SALAS
- 4 AUTÓMATAS DE SALAS DEPENDIENTES DEL GENERAL
- 8 PAILAS REF. 150 RE + 8 INSUFLADORES DE AIRE CALIENTE REF. 3R
- 4 EQUIPOS DE PULVERIZACIÓN (9 PISTOLA AA3000 + 8 PIES PARA PISTOLA + 4 BOMBAS A PRESIÓN + 4 PEDALES + BOQUILLAS)
- 3 TAMIZ VIBRATORIO WESTON REF. 503-3 + 29 AROS CON MALLAS/ 7 AROS/ SOPORTE MALLAS
- 23 BIDONES DE PLÁSTICO CON ASAS Y TAPADERAS
- 1 MICRONIZADOR FORPLEX 00 + MALLA 0,1 mm
- 1 MINITERMÓMETRO ELECTRÓNICO TIPO ABM11.03+SONDA REF. A2864441
- 8 SOPORTES PARA PALAS CORTADORAS DE FLUJO
- 1 DISOLUTEST
- 1 TERMINAL DE PESADA METTLER MULTIRANGE IDS
- 1 IMPRESORA METTLER MULTIRANGE GD46
- 1 BALANZA SUELO EMPOTRABLE KCS 300
- 1 BALANZA METTLER PJ12
- 2 PESAS DE 20 Kgs PARA CALIBRAR BALANZA
- 1 MAQUINA ENCAPSULADORA MOD. COMPAC FORMATO 1,2 Y ACCESORIOS
- 1 SELECCIONADOR DE CÁPSULAS MG2
- 1 ARCHIVADOR
- 1 TABLA DE CALIBRAR T1
- 1 ORDENADOR EPSON Px16
- 1 BALANZA DE PRECISIÓN METTLER PM100
- 1 UNA BOMBA PARA DESARROLLOS GALÉNICOS
- 1 AGITADOR INOX JM D-250

Pequeño material:

- 1 ESCALERA
- 3 CALCULADORAS Y MATERIAL DE OFICINA (ARCHIVADORES, CARPETAS)
- 2 CEPILLOS especiales
- 3 PAPELERAS
- 4 PALAS DE MANGO CORTO INOX
- 2 CUBO INOX 10l
- 2 FRASCAS INOX
- 4 ESPÁTULA INOX
- RELOJ DE PARED
- 1 EQUIPO ESPECIAL EN PVA PARA LIMPIEZA
- 1 CUCHILLO

B165

Hoja 1

ELEMENTOS PARA LAS FABRICACIONES DE MICROGRANULOS PROPIEDAD DE ENTYPHARM			
CANTIDAD	DESCRIPCION	VALOR	VALOR TOTAL
1	Autoclave siemens OP 593-II	100000	100000
1	Cuadro programador de salas	100000	100000
4	Automatas de salas dependientes del general	51254	205016
8	Palas ref. 150 RE	1797056	14376448
8	Insufladores de aire caliente	184000	1472000
4	Equipos de pulverización	623000	2492000
5	Tamiz vibratorio Weston ref 503-3 + accesorios	394413	1783239
1	micronizador Forplex 00 + malla 0.1mm	200000	200000
1	Minitermometro electrónico tipo ABM11.03+sonda	30000	30000
8	Soportes para palas cortadoras de flujo	250000	2000000
1	Disolufest	1160406	1160406
1	Terminal de pesada metter midrange ID	183000	182000
1	Impresora metter multirange GD40	125000	125000
1	Balanza suelo empotrable KCS 300	498000	498000
1	Balanza metter PJ12 y accesorios	618968	618968
2	Pesas de 20Kg de calibración	50000	100000
1	Maquina de encapsulado mod compact form. I, 2, 3 y acc.	15921760	15921760
1	seleccionador de capsulas MG2	433029	433029
1	Tabla de calibrar T1	50000	50000
1	Ordenador Epson PX16	263625	263625
1	Balanza de precisión Metter PM100	255550	255550
1	Agitador Inox JM D-250	384250	384250
1	Aire Comprimido/Extracción	623000	623000
3	Higrómetro	7000	21000
1	Disolufest	200000	200000
1	Instalación GS Tipo HT/F360 y accesorios	48382332	48382332
1	Aspirador 180	43214	43214
1	pequeño material	350000	350000
1	Barril inox muller	64500	64500
1	Agitador neumático	454750	454750
1	Lavabo Fregadero acero	69000	69000
1	Contenedor Alcohol	294000	294000
	TOTAL		92435337

B166

- Esponja PVA, Pinza sujeta esponja, Palo telescópico

LISTA MATERIAL INSTALACIÓN DESMONTABLE

Fontanería:

- Fregadero
- Lava-ojos
- Fuente

Aire comprimido/extracción:

- Turbina extracción de aire
- Filtro bolsas

Climatización:

- Equipo autónomo de refrigeración

Iluminación:

- Lámparas antideflagrantes

B167

ANEXO 4

Fijo anual: 30 M Pts

BONUS A BELMAC

A partir de 17 lotes 600.000.- Pts por cada lote

A partir de 27 lotes 700.000.- Pts por cada lote

A partir de 37 lotes 800.000.- Pts por cada lote

B168

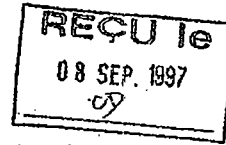
ANEXO 5

SEGUROS

B169



Laboratorios Belmac, S.A.



Sr. D. Claude Dubois
Director General
ETHYPHARM, S. A.

Madrid, 03 de Septiembre de 1.997

Estimado señor Dubois:

Como imaginamos ya conocerá la positiva marcha de las fabricaciones de OMEPRAZOL pellets en la planta de Zaragoza, con rendimientos y calidad satisfactorios.

Se están fabricando dos lotes mensuales, de acuerdo con el objetivo y programa que nos fijamos en la reunión de París. En el mes de Agosto hemos realizado un gran esfuerzo, puesto que hemos fabricado dos lotes más, aunque como usted sabe la fábrica se cierra durante ese mes por vacaciones y solo se ha mantenido la actividad de Ethypharm, con el fin, además, de formar y entrenar dos nuevos operarios, incorporados a finales de Julio, de modo que estamos en condiciones de fabricar cuatro lotes por mes en dos turnos, a partir de este mes de Septiembre.

Igualmente hemos contratado los servicios de dos expertos en Aseguramiento de Calidad, que realizaron una auditoría durante el mes de Julio y que en Septiembre están en condiciones de comenzar el programa de acciones que se deben llevar a cabo en colaboración con nuestra Dirección de Fábrica.

De acuerdo con el ofrecimiento realizado en París, hemos reducido al 50% en estos meses los cargos establecidos en nuestro acuerdo vigente, como muestra de buena voluntad para compartir, entre las dos compañías, el esfuerzo a realizar.

Creemos, por tanto, haber cumplido con los compromisos adquiridos, con usted y el Sr. Debregeas y esperamos que la actividad alcance el ritmo deseado en los próximos meses.

Hemos recibido un borrador de contrato, enviado por el Sr. Basilio; que estamos estudiando, así como nuestro Presidente Sr. Murphy y del que les enviaremos nuestros comentarios y eventualmente un texto alternativo en los próximos días.

Dado que el mencionado borrador, no recoge las condiciones económicas que deben regir a partir de este mes de Septiembre y que siguiendo lo acordado en la última reunión económica mantenida con el Sr. Basilio, estimamos deben ser las siguientes:

BELMAC

Montearagón, 9 - 1.ª pla - 28033 MADRID - Tel.: 388 72 01 - Fax: 388 76 47
 Fábrica: Polígono Malpica, c/c, 4. 50016 ZARAGOZA - Tel.: (976) 57 17 84 - Fax: (976) 57 26 63

EXHIBIT

pub015

ms 7.13.06

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EP 002462

B170



Laboratorios Belmac, S.A.

- 1) - Una cantidad fija anual, de 35 millones de Ptas. repartidas en 12 mensualidades (a pagar los días 30 de cada mes), como compensación de los gastos fijos de estructura que BELMAC debe mantener para asegurar los compromisos de fabricación estimados en principio.
- 2) - Una cantidad variable, por lote fabricado, con el siguiente esquema:

OMEPRAZOL:	600.000 Ptas.
ASPIRINA:	200.000 Ptas.
PIROXICAM:	400.000 Ptas.
LANSOPRAZOL:	400.000 Ptas.
INDOMETACINA:	400.000 Ptas.

La forma de pago sería a 30 días de la fecha de la factura emitida por BELMAC, por cada lote.

Los cálculos se han establecido sobre una base de jornada de trabajo de 15 horas/día (dos turnos) por 220 días al año.

Esto garantizaría la fabricación de 40 lotes de Omeprazol y una cantidad a convenir del resto de los productos, sin incrementar la maquinaria existente en la actualidad.

Nos parece fundamental llegar a un rápido acuerdo sobre este aspecto económico, antes de pasar a tratar otros aspectos contractuales.

Con este motivo, les enviamos nuestros mejores saludos, que rogamos haga extensivos al Sr. Debregeas.

Fdo.: Clemente González Azpeitia.

c.c.: Sr. J. Murphy y Sr. A. Basilio

BELMAC

Montearagón, 9 - 1.ª pla - 28033 MADRID - Tel.: 386 72 01 - Fax: 386 76 47
 Fábrica: Polígono Malpica, s/n, 4. 50016 ZARAGOZA - Tel.: (976) 57 17 84 - Fax: (976) 57 26 63

CONFIDENTIAL
 EP 002463

B171

Laboratorios Belmac, S.A.

Mr. Claude Dubois
Director General
ETHYPHARM S.A.

Madrid, 3 September 1997

Dear Mr. Dubois:

As we imagine you already know the positive development of the manufacturing of OMEPRAZOL pellets in the plant of Zaragoza, with satisfactory productivity and quality.

Two batches a month are being manufactured, in accordance with the objective and program agreed to during the meeting in Paris. In August we have made a considerable effort, as we have manufactured two more batches, although as you know, the factory closes during that month for vacations and only Ethypharm's activity has been maintained, with the purpose, in addition, to form and train two new workers, hired at the end of July, so that we are in position to manufacture four batches per month in two shifts, beginning this September.

Also, we have hired the services of two experts in Quality Assurance, who conducted an audit during July and who can begin in September the action program that they must carry out in collaboration with our Factory Management.

In agreement with the offer made in Paris, during these months we have reduced by 50% the costs established in our agreement currently in force, as a show of good will to share, between both companies, the effort that needs to be made.

We believe, therefore, that we have complied with the acquired commitments, with you and Mr. Debregeas and we hope that the activity reaches the desired rate in the following months.

We have received a draft of a contract, sent by Mr. Basilio, that we, as well as our President Mr. Murphy, are reviewing and we will send you our comments and eventually an alternative version in a few days.

Given that the above mentioned draft, does not reflect the economic conditions that must prevail as of this month of September and that following what we agreed during the last economic meeting held with Mr. Basilio, we consider that they must be the following:

CONFIDENTIAL
EP 002462

B172

1) - A. fixed annual amount of 35 million Pesetas distributed in 12 monthly payments (to be paid the 30th of each month), as compensation for the fixed structural expenses that BELMAC has to maintain to ensure the manufacturing agreements agreed to initially.

2) - A variable amount, per manufactured batch, with the following scheme:

OMEPRAZOL:	600,000 Pesetas
ASPIRINE:	200,000 Pesetas
PIROXICAM:	400,000 Pesetas
LANSOPRAZOL:	400,000 Pesetas
INDOMETACINE:	400,000 Pesetas

The form of payment would be 30 days from the date of the invoice issued by BELMAC, for each batch.

The figures have been made on the basis of a work day of 15 hours/day (two shifts) for 220 days per year.

This would guarantee the manufacture of 40 batches of Omeprazol and a quantity to be agreed for the rest of the products, without increasing the existing machinery at the present time.

It appears essential to us to reach a quick agreement on this economic aspect, before moving on to other contractual matters.

For this reason, we send you our best greetings, which we ask that you share with Mr. Debregeas

[Signature]

Signed: Clemente Gonzalez Azpeitia

CONFIDENTIAL
EP 002463

19 SEPT 01

B173

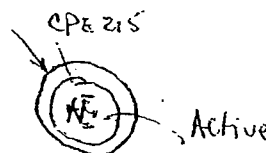
SPANISH MEET. MEETING - AMSTERDAM
PATENTS

Omeprazole & Lansoprazole - Pct - Oct.
Aqueous Pellets

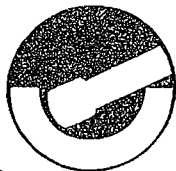
Paracetamol - Pct - 8 month extension
until rpt. patent search

Omeprazole tablets - pct will be - Nov.

Omeprazole generic - Spain Feb 2001
Netherlands only



B174



éthypharm

Direction Générale et Médicale
194, Bureaux de la Colline
92213 SAINT-CLOUD - FRANCE
Visioconférence (33) 01 41 12 00 75
Tél. (33) 01 41 12 17 20
Fax (33) 01 41 12 17 30

Reçue et
20 6 21 / 10 / 97

Archivé : 10/21/97
Ethy H.E.
Belmac

LABORATORIOS BELMAC
Monteragón 9,1º
MADRID 28033
SPAIN

Ref : VP/1097/106
Re : Audit Report

Saint-Cloud, 14 October 1997

For the attention of Mr. Clemente GONZALES AZPEITA

Dear Mr. GONZALES,

You will find hereby the report of the External Audit conducted by Mrs. Marcelle GAVOILLE on September 23rd and 24th, 1997.

We would like to have your remarks and comments as usual and we await the detailed plan of the actions necessary to confirm the progress towards G M P Standards compliance.

With best personal regards,

Sincerely yours,

Claude DUBOIS
V.P. Operations

Copies :
(letter only) - Mr. S. MURPHY Bentley USA
- Mr. A. de BASILIO Ethypharm SPAIN
- Mrs. M. GAVOILLE Ethypharm Houdan FRANCE



Siège social et unité de production : 21, rue St-Mathieu - 78550 HOUDAN - FRANCE
Tél. (33) 01 30 88 17 20 - Télex 698003 F ÉTHYPHA - Téléfax (33) 01 30 88 17 30
Visioconférence (33) 01 30 16 17 00

S.A. au capital de 5 000 000 F - RCS Versailles B 311 999 933 - APE 244 C - Siret 311 999 833 00032



EP 003266

B175

<<< Page 1 >>>

MINUTES OF A MEETING OF THE BOARD OF
DIRECTORS

Of

BENTLEY PHARMACEUTICALS, INC.

A meeting of the Board of Directors of Bentley
Pharmaceuticals, Inc. (the

"Company") was held on November 13, 1997 at the offices of
InterBank Capital Group,
630 Fifth Avenue, New York, New York. The following Board members
were present:

James R. Murphy
Robert M. Stote
Michael D. Price
Randolph W. Arnegger
Charles L. Bolling
Ehud D. Laska

Also present, at the request of the Company, were Jordan
Horvath of Parker
Chapin Flattau and Klimpl, LLP and Michael Mc Govern.

Mr. Murphy acted as Chairman of the Meeting and Mr. Price,
at the request of the
Chairman, acted as Secretary of the Meeting.

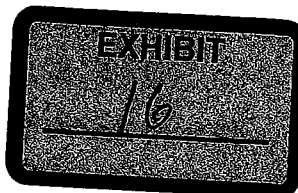
Mr. Murphy called the meeting to order and introduced Mr. Mc
Govern to the

members of the Board. Discussion then centered on the current
number of directors and

it was determined that it would be advisable to increase the
number of directors to seven.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, pursuant to the Company's By-Laws,
the number of directors is hereby increased to seven.



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B176

<<< Page 2 >>>

Mr. Murphy then made reference to Mr. Mc Govern's background, a summary of which had previously been distributed (see Exhibit A), and nominated Mr. Mc Govern to fill the newly created vacant Board seat until the next Annual Meeting of Stockholders.

Upon being seconded and unanimously carried, it was

RESOLVED, that Mr. Michael Mc Govern is hereby duly appointed to fill the newly created vacant seat on the Board of Directors of the Company to serve in such capacity until the next Annual Meeting of Stockholders of the Company.

The next order of business was to approve the minutes of the Board of Directors' meetings held on June 6, 1997, June 12, 1997, July 18, 1997 and August 12, 1997. After discussion and correction of the spelling of a name, upon motion duly made seconded and unanimously carried, it was

RESOLVED, that the minutes of the Board of Directors' meetings held on June 6, 1997, June 12, 1997, July 18, 1997 and August 12, 1997 are hereby approved.

Mr. Murphy then updated the Board members on the status of the Schwarz transaction informing them, that even though the exclusivity period had expired, that Schwarz is continuing to work with the Company in a cooperative fashion. Messrs. Murphy and Price continued by stating that Schwarz' management is obviously concerned that the Company has not finalized its financing arrangements, but are hopeful that the Company can do so in the near future and will be in position to close the transaction by the end of the year.

B177

<<< Page 3 >>>

Mr. Murphy then suggested that, for continuity purposes, discussion of Agenda Item No. 7 (Update on the Financing) should follow. Mr. Laska summarized InterBank's distribution of the Financing Memorandum, feedback and resulting modification of the Company's strategy to close the Schwarz transaction first (due to urgency with respect to expiring exclusivity). Mr. Murphy added a description of Galen Associates, an equity investor, which had expressed an interest in possibly acting as an equity sponsor that would give debt lenders the necessary comfort to complete the transaction.

Mr. Ziad Abdelnour of InterBank was invited into the meeting for an update with respect to financing efforts. He described his approach to identifying possible lenders/investors and mentioned the players that are still interested.

Dr. Stote, in response, expressed his concerns with respect to timing of the financing. Mr. Abdelnour responded to Dr. Stote's comments, stating that he was confident that Cerberus would be able to act quickly.

Redacted

B178

<<< Page 4 >>>

Mr. Murphy then returned to Agenda Item No. 5 and summarized the negotiated terms of the proposed acquisition of the Wyeth-Ayerst products, Donnatal and Serax, and referred to the term sheets for each product, which had been distributed earlier.

Mr. Murphy then provided a brief update on the two SmithKline Beecham products, Urospas and Fastin, in which the Company has expressed an interest, indicating that the Company is no longer interested in Fastin due to litigation surrounding weight reduction products.

Mr. Murphy then asked Mr. Price to provide a report on the Warrant Exercise incentive program. Mr. Price responded that approximately 1,400,000 Series A Warrants had been tendered to date, resulting in new capital of approximately \$2,800,000. Messrs. Price and Mc Govern indicated that Mr. Jack Perry (Trustee) is taking steps to exercise the 2,000,000 Warrants held by the Estate of his late brother, Richard Perry. Mr. Price then distributed copies of the Notice and Prospectus Supplement, which are required to extend the Warrant Discount Period. After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Series A Warrant Discount Period is hereby extended to the close of business on Friday, December 5, 1997, subject to approval of the American Stock Exchange and those persons so exercising shall be afforded a delivery guarantee of three trading days;

and it was further

B179

<<< Page 5 >>>

are
and to
and to
may be
intent

RESOLVED, that such officers of the Company hereby authorized and directed to take all action execute and deliver all agreements and instruments affix the Company's seal thereto if required, that necessary or appropriate to carry out the purpose and of the foregoing resolution.

Company will need
Icken, Schwarz Pharma's
available as a
interested in this position on a
that it has been the
such a position. No
action was taken at this time.

Mr. Murphy then informed the members of the board that the to create and fill a Sales/Marketing position soon and that Fred Director of Corporate Development plans to retire soon and may be consultant. Mr. Murphy also relayed that Mr. Amegger is full time basis. Dr. Stote then reminded the members of the Board that it has been the Company's policy to consider a minimum of three candidates for such a position. No action was taken at this time.

with respect to the
Company's headquarters to
Wisconsin and personnel needs.

Messrs. Murphy and Price described the transition plan Schwarz acquisition, including consideration of moving the Company's headquarters to Wisconsin and personnel needs.

Sales Organizations
with a description of
an acquisition or merger
candidate. No further action was taken at this time.

Mr. Arnegger provided information with respect to Contract Sales Organizations (CSOs) and described how they operate. Mr. Murphy followed up with a description of Syncom, a CSO that is considering going public, describing it as an acquisition or merger candidate. No further action was taken at this time.

B180

<<< Page 6 >>>

Mr. Murphy informed the members of the Board that the due diligence for the two Wyeth-Ayerst products has not been completed and will require time and resources when undertaken.

Mr. Murphy distributed a preliminary draft of the 1998 budget for Laboratorios Belmac for review. Mr. Price explained that this draft was preliminary, and had not been reviewed nor approved. Mr. Murphy explained that the final budget for Laboratorios Belmac would be reviewed and incorporated in the final budget for discussion at the next meeting of the Board of Directors. Mr. Murphy continued his discussion of the Spanish operations, describing market conditions, expected continuation of increasing competition and unfavorable devaluation of currency.

Mr. Murphy continued, describing the acquisition in Spain of Finedal for a purchase price of one times trailing 12 months sales, with a provision that the Company is entitled to a return of its money in the event that complications develop. After discussion upon motion duly made, seconded and unanimously carried, it was

12 RESOLVED, that the action taken by the Company to purchase the product, Finedal, for one times trailing months sales is hereby ratified.

Mr. Murphy then presented his idea regarding the Conrex technology and patent opportunities, suggesting that the acquisition of Conrex can be accomplished via an off-balance sheet company. Mr. Murphy continued, indicating that a meeting has been scheduled for the end of November. Mr. Murphy also stated that Robert Gyurik has

B181

<<< Page 7 >>>

indicated that he is available to work on this project.
Discussion continued and questions
were answered. Mr. Murphy indicated that Research and Development
expense to the
Company could be avoided by structuring the transaction as a
joint venture or off-balance
sheet company. Mr. Laska suggested that the Company consider a
management contract
with rights to market the products. Discussion continued;
however, no action was taken
at this time.

Mr. Murphy reminded the members of the Board that the
Employment Agreements for the three executive officers expire in June 1998
and Mr. Laska responded
that the Compensation Committee should meet before the expiration
of the Employment Agreements. After discussion, upon motion duly made, seconded and
unanimously
carried, it was

RESOLVED, that Mr. Michael Mc Govern is
hereby appointed to membership on the Compensation
Committee and the Finance Committee.

Mr. Murphy once again suggested that an Employee Stock
Purchase Plan be
placed in service. The suggestion was discussed at length;
however, no action was taken
with respect to this subject.

Mr. Murphy informed the members of the Board that the
proposed Consulting
Agreement between the Company and InterBank has not yet been
finalized or executed.

B182

<<< Page 8 >>>

Mr. Murphy then presented a proposal regarding compensation adjustment for Clemente Gonzalez (see Exhibit B) to the members of the Board. Mr. Laska requested a copy of Dr. Gonzalez' employment agreement and suggested that his new agreement expire at the same time as U. S. management's Employment Agreements.

The meeting was then recessed in order to accommodate a meeting of the Compensation Committee of the Board. Upon the conclusion of the Compensation Committee meeting, the Board Meeting was reconvened. The Compensation Committee presented Mr. Murphy's proposal for Mr. Gonzalez' compensation adjustment, along with its recommendation to the members of the Board that the proposal be approved, and after discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that Clemente Gonzalez is hereby awarded a salary increase of 10% and a bonus equivalent to that awarded in the prior year (in pesetas).

Mr. Murphy thanked the members of the Board for approving Dr. Gonzalez' adjustment and told the members of the Board that he has been introduced to a PR firm named Kinexsys by Patrick DiGiacomo, and that Kinexsys has presented a proposal to the Company that involves PR services in exchange for \$4,500 per month and 100,000 warrants. Mr. Laska volunteered to perform a Black-Scholes valuation analysis in order to value the warrants for accounting purposes.

Mr. Price then provided an update of legal issues:

<<< Page 9 >>>

recently Harshbarger: Harshbarger's attorney has
 irreconcilable withdrawn from the case, citing
 very differences; Ms. Keisha Solomon had provided
 and helpful information in her deposition in August;
 Mr. there has been no recent activity on behalf of
 Harshbarger.
 with Maximed: The Court of Appeals has sided
 to Bentley in its appeal and has remanded the case back
 is the lower court for a judgment; and the Company
 this continuing to reserve \$50,000 per quarter related to
 investment.

Mr. Murphy informed the members of the Board that Mr.
 Robert Gyurik had assisted the Company with its due diligence with respect to the
 Schwarz acquisition, and
 in lieu of cash, had agreed to accept warrants as compensation
 for services rendered.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the grant on August 12, 1997 to
 Robert Gyurik of warrants to purchase 1,000 shares of
 the Company's Common Stock at \$2.875 per share is hereby
 ratified.

Mr. Price then explained that Walter Light had contacted
 the Company and
 inquired about the possibility of being granted an incentive to
 exercise his existing
 warrants, similar to that granted to the Series A warrant
 Holders. After discussion, upon
 motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Company is authorized to
 extend an offer to Mr. Light to reduce the exercise
 price of 350,000 warrants from \$2.50 each to \$2.00 each until the
 his close of business on December 5, 1997, in exchange for
 simultaneously. decision to exercise all 350,000 warrants
 the If the 350,000 warrants are not exercised by such date,

B184

<<< Page 10 >>>

terms of the warrants shall revert to such terms
described in the original warrant agreements.

Mr. Murphy informed the members of the Board that
Plexus Ventures had agreed

to accept shares of the Company's Common Stock in lieu of cash as
compensation for

services rendered in connection with its advisory services related
to the acquisitions.

After discussion, upon motion duly made, seconded, and
unanimously carried, it was

RESOLVED, that the Company is hereby
authorized, in lieu of cash, to issue such number of
shares of the Company's Common Stock to Plexus Ventures as
are equivalent to the fair market value of services
provided by Plexus Ventures, as compensation for its advisory
services in connection with the proposed acquisitions.

Mr. Price informed the members of the Board that the Company
plans to file a

Listing Application with the American Stock Exchange in the near
future and requested

authorization to file such application and include thereon all
shares of the Company's

Common Stock previously authorized by the Board for issuance and
shares of the

Company's Common Stock underlying options or warrants previously
authorized by the

Board for issuance. Upon motion duly made, seconded and
unanimously carried, it was

RESOLVED, that the officers of the Company are
hereby authorized by the Company to make an application
to the American Stock Exchange for the listing of shares
of the Company's Common Stock; and it was further

RESOLVED, that such officers are
hereby authorized and directed to sign said application
and any listing agreements or documents required by said
Exchange in connection therewith and to make such changes in
any of same as may be necessary to conform the with
the requirements for listing, and to appear (if requested)
before officials of such Exchange; and it was further

B185

<<< Page 11 >>>

RESOLVED, that the foregoing shares of Common Stock be, and they hereby are, duly authorized for issuance and when issued and delivered in exchange for payment thereon in accordance with the terms described above, such shares shall be fully paid and non-assessable shares of Common Stock of the Company and the holder thereof shall not be liable for any calls or assessments thereon or for any payment in respect thereof; and it was further hereby authorized by the Company to take all other action and to execute and deliver all other agreements and instruments and to affix the Company's seal thereto if required, that may be necessary or appropriate to carry out the purpose and intent of the foregoing resolutions.

Mr. Murphy informed members of the Board that Dreyfus has recently filed a

Form 13-G, in which they stated that they had accumulated 483,000 shares of the

Company's Common Stock and that in telephone conversations with them, had learned

that they have increased their holdings further.

Mr. Murphy then indicated that the last item of business was scheduling of the

next Board meeting. After discussion, it was agreed that the next regularly scheduled

Board meeting would be held on January 19-20, 1998 in Milwaukee, WI and that the

following regularly scheduled Board meeting would be held March 16-19, 1998 in Spain.

There being no further business to come before the meeting, upon motion duly

made, seconded and unanimously carried the meeting was adjourned.

Price, Secretary

B186

<<< Page 12 >>>

Exhibit A

Michael McGovern, J.D., CPA. Mr. McGovern, age 53, is President and principal stockholder of McGovern Enterprises, Inc. For the past twenty-two years, Mr. McGovern has provided corporate, financial and real estate consulting services to executives and businesses throughout the United States. He serves as Chairman of Specialty Surgieenters, Inc., and as a Director on the corporate boards of North Fulton Baneshares, Inc., Suburban Lodges of America, Inc., Career Publishing Network, L.L.C., Training Solutions Interactive, Inc., and Reynolds Development Company.

Mr. McGovern has been responsible for in excess of \$50 million in real estate investments and serves as President of McGovern Realty Corp., and as General Partner of six real estate limited partnerships in Georgia and Florida. Prior to forming McGovern Enterprises, Inc., Mr. McGovern served as president of FSC Advisory Corp., and was a certified public accountant with Deloitte Haskins & Sells, CPAs (now Deloitte & Touche, LLP.) He is also a member of the State Bar of Georgia and the American Bar Association. He received his B.S. and M.S. in Accounting, as well as his Juris Doctor, from the University of Illinois.

B187

<<< Page 13 >>>

Exhibit B

BENTLEY

PHARMACEUTICALS,

INC.

TO:
COMMITTEE MEMBERS

COMPENSATION

SUBJECT: FROM:
DR. CLEMENTE GONZALEZ

JAMES R. MURPHY

DATE:

11 NOV. 1997

As you know, Dr. Clemente's employment contract calls for an annual review and bonus calculation as of August 1997. Somehow it had been overlooked since the review comes just after the compensation committee meets during the annual meeting.

Last year he recieved approval from the Compensation Committee for a salary adjustment increasing his base compensation by 10% and was, granted a \$25,000 bonus.

Growth this year was also significant especially when considering the intensive competitive pressures in the Spanish market. Therefore, I recommend the identical adjustment and bonus for his contribution to the Spanish growth.

BENTL002683
HIGHLY CONFIDENTIAL -

B188

<<< Page 1 >>>

DIRECTORS MINUTES OF A MEETING OF THE BOARD OF

Of

BENTLEY PHARMACEUTICALS, INC.

A meeting of the Board of Directors of Bentley Pharmaceuticals, Inc. (the

"Company") was held on November 13, 1997 at the offices of InterBank Capital Group, 630 Fifth Avenue, New York, New York. The following Board members were present:

James R. Murphy
Robert M. Stote
Michael D. Price
Randolph W. Arnegger
Charles L. Bolling
Ehud D. Laska

Also present, at the request of the Company, were Jordan Horvath of Parker Chapin Flattau and Klimpl, LLP and Michael Mc Govern.

Mr. Murphy acted as Chairman of the Meeting and Mr. Price, at the request of the Chairman, acted as Secretary of the Meeting.

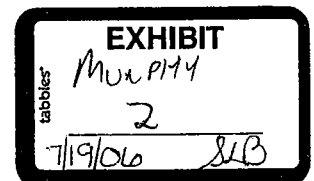
Mr. Murphy called the meeting to order and introduced Mr. Mc Govern to the

members of the Board. Discussion then centered on the current number of directors and

it was determined that it would be advisable to increase the number of directors to seven.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, pursuant to the Company's By-Laws, the number of directors is hereby increased to seven.



BENTL002671
HIGHLY CONFIDENTIAL

B189

<<< Page 2 >>>

Mr. Murphy then made reference to Mr. Mc Govern's background, a summary of which had previously been distributed (see Exhibit A), and nominated Mr. Mc Govern to fill the newly created vacant Board seat until the next Annual Meeting of Stockholders.

Upon being seconded and unanimously carried, it was

RESOLVED, that Mr. Michael Mc Govern is hereby duly appointed to fill the newly created vacant seat on the Board of Directors of the Company to serve in such capacity until the next Annual Meeting of Stockholders of the Company.

The next order of business was to approve the minutes of the Board of Directors' meetings held on June 6, 1997, June 12, 1997, July 18, 1997 and August 12, 1997. After discussion and correction of the spelling of a name, upon motion duly made seconded and unanimously carried, it was

RESOLVED, that the minutes of the Board of Directors' meetings held on June 6, 1997, June 12, 1997, July 18, 1997 and August 12, 1997 are hereby approved.

Mr. Murphy then updated the Board members on the status of the Schwarz transaction informing them, that even though the exclusivity period had expired, that Schwarz is continuing to work with the Company in a cooperative fashion. Messrs. Murphy and Price continued by stating that Schwarz' management is obviously concerned that the Company has not finalized its financing arrangements, but are hopeful that the Company can do so in the near future and will be in position to close the transaction by the end of the year.

B190

<<< Page 3 >>>

Mr. Murphy then suggested that, for continuity purposes, discussion of Agenda Item No. 7 (Update on the Financing) should follow. Mr. Laska summarized InterBank's distribution of the Financing Memorandum, feedback and resulting modification of the Company's strategy to close the Schwarz transaction first (due to urgency with respect to expiring exclusivity). Mr. Murphy added a description of Galen Associates, an equity investor, which had expressed an interest in possibly acting as an equity sponsor that would give debt lenders the necessary comfort to complete the transaction.

Mr. Ziad Abdelnour of InterBank was invited into the meeting for an update with respect to financing efforts. He described his approach to identifying possible lenders/investors and mentioned the players that are still interested.

Dr. Stote, in response, expressed his concerns with respect to timing of the financing. Mr. Abdelnour responded to Dr. Stote's comments, stating that he was confident that Cerberus would be able to act quickly.

Redacted

B191

<<< Page 4 >>>

Mr. Murphy then returned to Agenda Item No. 5 and summarized the negotiated terms of the proposed acquisition of the Wyeth-Ayerst products, Donnatal and Serax, and referred to the term sheets for each product, which had been distributed earlier.

Mr. Murphy then provided a brief update on the two SmithKline Beecham products, Urospas and Fastin, in which the Company has expressed an interest, indicating that the Company is no longer interested in Fastin due to litigation surrounding weight reduction products.

Mr. Murphy then asked Mr. Price to provide a report on the Warrant Exercise incentive program. Mr. Price responded that approximately 1,400,000 Series A Warrants had been tendered to date, resulting in new capital of approximately \$2,800,000. Messrs. Price and Mc Govern indicated that Mr. Jack Perry (Trustee) is taking steps to exercise the 2,000,000 Warrants held by the Estate of his late brother, Richard Perry. Mr. Price then distributed copies of the Notice and Prospectus Supplement, which are required to extend the Warrant Discount Period. After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Series A Warrant Discount Period is hereby extended to the close of business on Friday, December 5, 1997, subject to approval of the American Stock Exchange and those persons so exercising shall be afforded a delivery guarantee of three trading days;

and it was further

B192

<<< Page 5 >>>

RESOLVED, that such officers of the Company
are hereby authorized and directed to take all action
and to execute and deliver all agreements and instruments
and to affix the Company's seal thereto if required, that
may be necessary or appropriate to carry out the purpose and
intent of the foregoing resolution.

Mr. Murphy then informed the members of the board that the
Company will need to create and fill a Sales/Marketing position soon and that Fred
Icken, Schwarz Pharma's Director of Corporate Development plans to retire soon and may be
available as a consultant. Mr. Murphy also relayed that Mr. Amegger is
interested in this position on a full time basis. Dr. Stote then reminded the members of the Board
that it has been the Company's policy to consider a minimum of three candidates for
such a position. No action was taken at this time.

Messrs. Murphy and Price described the transition plan
with respect to the Schwarz acquisition, including consideration of moving the
Company's headquarters to Wisconsin and personnel needs.

Mr. Arnegger provided information with respect to Contract
Sales Organizations (CSOs) and described how they operate. Mr. Murphy followed up
with a description of Syncom, a CSO that is considering going public, describing it as
an acquisition or merger candidate. No further action was taken at this time.

B193

<<< Page 6 >>>

Mr. Murphy informed the members of the Board that the due diligence for the two Wyeth-Ayerst products has not been completed and will require time and resources when undertaken.

Mr. Murphy distributed a preliminary draft of the 1998 budget for Laboratorios Belmac for review. Mr. Price explained that this draft was preliminary, and had not been reviewed nor approved. Mr. Murphy explained that the final budget for Laboratorios Belmac would be reviewed and incorporated in the final budget for discussion at the next meeting of the Board of Directors. Mr. Murphy continued his discussion of the Spanish operations, describing market conditions, expected continuation of increasing competition and unfavorable devaluation of currency.

Mr. Murphy continued, describing the acquisition in Spain of Finedal for a purchase price of one times trailing 12 months sales, with a provision that the Company is entitled to a return of its money in the event that complications develop. After discussion upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the action taken by the Company to purchase the product, Finedal, for one times trailing 12 months sales is hereby ratified.

Mr. Murphy then presented his idea regarding the Conrex technology and patent opportunities, suggesting that the acquisition of Conrex can be accomplished via an off-balance sheet company. Mr. Murphy continued, indicating that a meeting has been scheduled for the end of November. Mr. Murphy also stated that Robert Gyurik has

B194

<<< Page 7 >>>

indicated that he is available to work on this project.
Discussion continued and questions
were answered. Mr. Murphy indicated that Research and Development
expense to the
Company could be avoided by structuring the transaction as a
joint venture or off-balance
sheet company. Mr. Laska suggested that the Company consider a
management contract
with rights to market the products. Discussion continued;
however, no action was taken
at this time.

Mr. Murphy reminded the members of the Board that the
Employment
Agreements for the three executive officers expire in June 1998
and Mr. Laska responded
that the Compensation Committee should meet before the expiration
of the Employment
Agreements. After discussion, upon motion duly made, seconded and
unanimously
carried, it was

RESOLVED, that Mr. Michael Mc Govern is
hereby appointed to membership on the Compensation
Committee and the Finance Committee.

Mr. Murphy once again suggested that an Employee Stock
Purchase Plan be
placed in service. The suggestion was discussed at length;
however, no action was taken
with respect to this subject.

Mr. Murphy informed the members of the Board that the
proposed Consulting
Agreement between the Company and InterBank has not yet been
finalized or executed.

B195

<<< Page 8 >>>

Mr. Murphy then presented a proposal regarding compensation adjustment for Clemente Gonzalez (see Exhibit B) to the members of the Board. Mr. Laska requested a copy of Dr. Gonzalez' employment agreement and suggested that his new agreement expire at the same time as U. S. management's Employment Agreements.

The meeting was then recessed in order to accommodate a meeting of the Compensation Committee of the Board. Upon the conclusion of the Compensation Committee meeting, the Board Meeting was reconvened. The Compensation Committee presented Mr. Murphy's proposal for Mr. Gonzalez' compensation adjustment, along with its recommendation to the members of the Board that the proposal be approved, and after discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that Clemente Gonzalez is hereby awarded a salary increase of 10% and a bonus equivalent to that awarded in the prior year (in pesetas).

Mr. Murphy thanked the members of the Board for approving Dr. Gonzalez' adjustment and told the members of the Board that he has been introduced to a PR firm named Kinexsys by Patrick DiGiacomo, and that Kinexsys has presented a proposal to the Company that involves PR services in exchange for \$4,500 per month and 100,000 warrants. Mr. Laska volunteered to perform a Black-Scholes valuation analysis in order to value the warrants for accounting purposes.

Mr. Price then provided an update of legal issues:

B196

<<< Page 9 >>>

recently Harshbarger: Harshbarger's attorney has
 irreconcilable withdrawn from the case, citing
 very differences; Ms. Keisha Solomon had provided
 and helpful information in her deposition in August;
 Mr. there has been no recent activity on behalf of
 Harshbarger.
 with Maximed: The Court of Appeals has sided
 to Bentley in its appeal and has remanded the case back
 is the lower court for a judgment; and the Company
 this continuing to reserve \$50,000 per quarter related to
 investment.

Mr. Murphy informed the members of the Board that Mr.
 Robert Gyurik had assisted the Company with its due diligence with respect to the
 Schwarz acquisition, and
 in lieu of cash, had agreed to accept warrants as compensation
 for services rendered.

Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the grant on August 12, 1997 to
 Robert Gyurik of warrants to purchase 1,000 shares of
 the Company's Common Stock at \$2.875 per share is hereby
 ratified.

Mr. Price then explained that Walter Light had contacted
 the Company and inquired about the possibility of being granted an incentive to
 exercise his existing warrants, similar to that granted to the Series A warrant
 Holders. After discussion, upon
 motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Company is authorized to
 extend an offer to Mr. Light to reduce the exercise
 price of 350,000 warrants from \$2.50 each to \$2.00 each until the
 his close of business on December 5, 1997, in exchange for
 simultaneously decision to exercise all 350,000 warrants
 the If the 350,000 warrants are not exercised by such date,

B197

<<< Page 10 >>>

described in terms of the warrants shall revert to such terms
the original warrant agreements.

Mr. Murphy informed the members of the Board that
Plexus Ventures had agreed

to accept shares of the Company's Common Stock in lieu of cash as
compensation for

services rendered in connection with its advisory services related
to the acquisitions.

After discussion, upon motion duly made, seconded, and
unanimously carried, it was

RESOLVED, that the Company is hereby
authorized, in lieu of cash, to issue such number of
shares

of the Company's Common Stock to Plexus Ventures as
are equivalent to the fair market value of services
provided

by Plexus Ventures, as compensation for its advisory
services in connection with the proposed acquisitions.

Mr. Price informed the members of the Board that the Company
plans to file a

Listing Application with the American Stock Exchange in the near
future and requested

authorization to file such application and include thereon all
shares of the Company's

Common Stock previously authorized by the Board for issuance and
shares of the

Company's Common Stock underlying options or warrants previously
authorized by the

Board for issuance. Upon motion duly made, seconded and
unanimously carried, it was

RESOLVED, that the officers of the Company are
hereby authorized by the Company to make an application
to the American Stock Exchange for the listing of shares
of

the Company's Common Stock; and it was further

hereby RESOLVED, that such officers are
authorized and directed to sign said application
and any listing agreements or documents required by said
Exchange in connection therewith and to make such changes in
any of same as may be necessary to conform the with
the requirements for listing, and to appear (if requested)
before officials of such Exchange; and it was further

B198

<<< Page 11 >>>

issuance
such
thereon or
hereby
and to
instruments
that
purpose

RESOLVED, that the foregoing shares of Common Stock be, and they hereby are, duly authorized for and when issued and delivered in exchange for payment thereon in accordance with the terms described above, shares shall be fully paid and non-assessable shares of Common Stock of the Company and the holder thereof shall not be liable for any calls or assessments for any payment in respect thereof; and it was further

RESOLVED, that such officers are authorized by the Company to take all other action execute and deliver all other agreements and and to affix the Company's seal thereto if required, may be necessary or appropriate to carry out the and intent of the foregoing resolutions.

recently filed a

Form 13-G, in which they stated that they had accumulated 483,000 shares of the Company's Common Stock and that in telephone conversations with them, had learned that they have increased their holdings further.

Mr. Murphy then indicated that the last item of business was scheduling of the next Board meeting. After discussion, it was agreed that the next regularly scheduled Board meeting would be held on January 19-20, 1998 in Milwaukee, WI and that the following regularly scheduled Board meeting would be held March 16-19, 1998 in Spain.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried the meeting was adjourned.

Price, Secretary

B199

<<< Page 12 >>>

Exhibit A

Michael McGovern, J.D., CPA. Mr. McGovern, age 53, is President and principal stockholder of McGovern Enterprises, Inc. For the past twenty-two years, Mr. McGovern has provided corporate, financial and real estate consulting services to executives and businesses throughout the United States. He serves as Chairman of Specialty Surgieenters, Inc., and as a Director on the corporate boards of North Fulton Baneshares, Inc., Suburban Lodges of America, Inc., Career Publishing Network, L.L.C., Training Solutions Interactive, Inc., and Reynolds Development Company.

Mr. McGovern has been responsible for in excess of \$50 million in real estate investments and serves as President of McGovern Realty Corp., and as General Partner of six real estate limited partnerships in Georgia and Florida. Prior to forming McGovern Enterprises, Inc., Mr. McGovern served as president of FSC Advisory Corp., and was a certified public accountant with Deloitte Haskins & Sells, CPAs (now Deloitte & Touche, LLP.) He is also a member of the State Bar of Georgia and the American Bar Association. He received his B.S. and M.S. in Accounting, as well as his Juris Doctor, from the University of Illinois.

B200

<<< Page 13 >>>

Exhibit B
BENTLEY PHARMACEUTICALS, INC.
TO: COMMITTEE MEMBERS COMPENSATION
FROM: JAMES R. MURPHY
SUBJECT: DR. CLEMENTE GONZALEZ
DATE: 11 NOV. 1997

As you know, Dr. Clemente's employment contract calls for an annual review and bonus calculation as of August 1997. Somehow it had been overlooked since the review comes just after the compensation committee meets during the annual meeting.

Last year he recieved approval from the Compensation Committee for a salary adjustment increasing his base compensation by 10% and was, granted a \$25,000 bonus.

Growth this year was also significant especially when considering the intensive competitive pressures in the Spanish market. Therefore, I recommend the identical adjustment and bonus for his contribution to the Spanish growth.

BENTL002683
HIGHLY CONFIDENTIAL

B201

I WELCOME Spain & Lab. Belmac
II Time Schedule for meeting
III Begin w/ Introductions
Belmac Staff

Dr. Clemente Gormalez, MD
• General Director
• Savior and Foundation of
the organization
• Specific expertise in Mktg
Dr. Fernando Berenguer, MD
• Former General Director
of Prim (Major distributor
of medical ppts. and
former officer of the Spanish
Association of Pharmaceut.
industry.
• Currently responsible for
all Corp. Develop. Activities

Jose Maria Esteves
• is a CPA and Attorney
and has total responsibility
for Lab. Belmac Financial
Dept.

DR. ADOLFO HERRERA has been
recently hired to assume
control of our
Administration Activities
and manufacturing.

HIGHLY CONFIDENTIAL

BENTL001399

B202

ESTHER SANCHEZ
LAWYER
JOHN CHAPMAN
BOGGS READMAN

IGNACIO

Sr. Moreno

has responsibility for our sales
organization which has had
an impressive performance

for the past 3 years increasing sales of our
pats.

~~History~~
~~The Agenda for this meeting~~

* History

Bentley purchased the Spanish Co.
in 1992 from ~~REMPAR~~ which was
the RP subsidiary (Natterman)
together w/ a portfolio of
mature 17 ~~old~~ Spanish Pats.

Company lost approximately

4 - 5 million USD / year ~~in~~
until 1995 when the

Company was totally restructured.

- New management was established
And a strategy of establishment:
- Acquisition of additional pats.
- Contract manufacturing and
- A commitment to expand
beyond borders of Spain
by way of export was adopted.

HIGHLY CONFIDENTIAL

BENTL001400

B203



Laboratorios Belmac, S.A.

D. Clemente González Azpeitia, in name and in representation of LABORATORIOS BELMAC, S.A., with registered office in Montearagón, N° 9 28033 MADRID (Spain), and with Tax Identification Number A-78964038, as GENERAL MANAGER.

HEREBY CERTIFIES THAT:

ETHYPHARM has a manufacturing agreement with LABORATORIOS BELMAC, S.A.

ETHYPHARM owns the manufacturing method, the technology and is the owner of the machinery employed for the manufacturing process of Omeprazole pellets. LABORATORIOS BELMAC, S.A. has the authorization to employ these machines and to use the Know-how for ETHYPHARM's clients.

LABORATORIOS BELMAC, S.A. is audited regularly by ETHYPHARM to assure that GMP are followed under ETHYPHARM's Q.A. requirements.

In Madrid on March 2nd of 1.998



LABORATORIOS BELMAC, S.A.

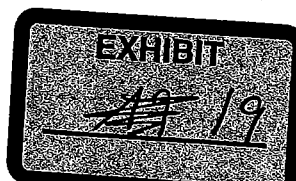
Fdo.: Clemente Gonzalez Azpeitia

Director General

Dr. Clemente González Azpeitia
General Manager

BELMAC

Montearagón 9 - 1.ª planta - 28033 MADRID - Tel: 388 72 01 - Fax: 388 76 47
Fábrica: Polígono Malpica, C/ 12 - 50036 ZARAGOZA - Tel: (976) 57 17 84 - Fax: (976) 57 26 63



EP 004355

B204

3/18/8 SPAM

Mr. Baumann - Mktg. Issues w/ market
 new pats -
 Existing pats -

Problem - Zolagosa

Mr. Carlo COO Facilities

Asl Adolpho

Process - Copy

Legal action from Asha? risk

Process improvement

Ethylpharm propriety

"Not Allowed to give Copy"

Not purchasing Ethylpharm technology

- Nori patent

- Can not improve pharma

Paul Monahan

Henley, Cap

1800 32 Smart

BMW

318T #13

BMW 300mi

1003 qtz 8325

BLK w/le

95 XA

5 speed

ASK 14,000 K - Bids Accepted

HIGHLY CONFIDENTIAL

BENTL001459

B205

ETHYPHARM

*Marqués de la Ensenada, 16. 28004 Madrid-España
Tel: (1) 308 56 81 Fax: (1) 319 91 59*

FAX: 3.88.76.47	Date: 31.03.98	Pgs: 1
DE: Srta. Ana Vaquero	A: Srta. Laura	
	CIA: Belmac	

Ref: Viaje a París

Tal y como acordamos esta mañana te adjunto datos del Hotel dónde se van a alojar en París.

Un saludo.

Ana Vaquero



EP 003259

B206

ETHYPHARM

Marqués de la Ensenada, 16. 28004 Madrid-España
Tel: (1) 308 56 81 Fax: (1) 319 91 59

FAX: 3.88.76.47

Date: 31.03.98 Pages: 1

From: Ms. Ana Vaquero

To: Ms. Laura

Company: Belmac

RE: Trip to Paris

As agreed this morning, I attach the information of the hotel where you are going to stay in Paris.

Regards,

Ana Vaquero

EP 003259

B207

01 MAR 1998 14:00 63 69 ETHYPHARM ST CLOUD 33 1 41121719 30/03/98 19:13 NA 47951 Page 1/1
33 01 45 63 69 92



ROYAL HOTEL

33, avenue de FRIEDLAND 75008 - PARIS

TEL = 33.(0).1.43.59.08.14

FAX = 33.(0).1.45.63.69.92

[http :/ /www.hroy.com/royal-hotel](http://www.hroy.com/royal-hotel)

E-mail : rh@hroy.com

<u>A l'attention de</u>	:	ETHYPHARM
<u>De la part de</u>	:	JEROME / RESERVATION
<u>Nom du client</u>	:	Mr BERENGER Mr BASILIO Mr HERRERA Mr MURTHY Mr GONZALES
<u>Date</u>	:	30 MARS 1998
<u>Date de séjour</u>	:	du 01 AVRIL au 03 AVRIL 1998
<u>Type de chambre</u>	:	5 CHAMBRES STANDARD
<u>Tarif confirmé</u>	:	995 Francs

Madame,

Nous vous remercions de l'intérêt que vous portez au Royal Hôtel et c'est avec plaisir que nous vous confirmons votre réservation ci-dessus.

Nous restons à votre entière disposition pour de plus amples informations

Nous vous prions d'agréer, Madame, l'expression de nos sentiments les meilleurs.

EP 003260

B208

[logo]
ROYAL HOTEL
33, avenue de FRIEDLAND 75008 – PARIS
PHONE = 33.(0).1.43.59.08.14
FAX = 33.(0).1.45.63.69.92
<http://www.hroy.com/royal-hotel>
e-mail: rh@hroy.com

<u>To the attention of:</u>	ETHYPHARM
<u>From:</u>	JEROME / RESERVATIONS
<u>Client name:</u>	MR. BERENGER
	MR. DASILIO
	MR. HERRERA
	MR. MURPHY
	MR. GONZALES
<u>Date:</u>	MARCH 30, 1998
<u>Date of stay:</u>	From APRIL 01 to APRIL 03, 1998
<u>Room type:</u>	5 STANDARD ROOMS
<u>Confirmed rate:</u>	995 francs

Dear Madam,

Thank you for your interest in Royal Hotel. We are pleased to confirm your reservation above.

We remain available to provide any further information you might require.

Best regards.

EP 003260

B209

31/03 '98 MAR 15:14 FAX 3199159

ETHYPHARM S.A.

001

*** REPORTE DE TX ***

TRANSMISION OK

N° TX/RX	3481
TELEFONO CONEXION	+34 913887647
SUBDIRECCION	
ID CONEXION	LAB.BELMAC
HORA COM	31/03 15:13
TP USADO	00'55
PAG.	2
RESULTADO	OK

EP 003261

B210

02 April 1998

EthupharmMr Basile
Mr Dubois

Mr. Bernhard Demube

Omeprazole only sold in Spain
 - Not lowest enough to
 market

Longer Term

Liquifa - Selling of Pellets

One more

Contract for supply to

One TR Review

Raw
Material

DMF From Nobel And raw material

DMF From Esteve

DMF From Liquifa

Nobel raw material not problem
 For Spain, Port., Central S. Am.

20 BARK - Break even
 if assume more

Raw Materials

* LIQUIFA

Nobel
(Turkey)

* ESTEVE

* CANGUO

Gastro Res

95

95

Residue

20%

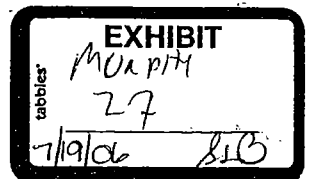
5%

Dissolution

75%

90%

* Non-infringe



HIGHLY CONFIDENTIAL

BENTL001473

B211

Ethepharm Problems Solved

1. Good RAW material
2. Good Formulation (Prazibin)
 - \$ 40 K / M
 - \$ 55 K / M, other

Future

New relationship

Ethepharm supply raw material
 20-24 Batches
 Enter 8 Batches supply
 Enter today

Action Plan

Switch to Agueson

Draft letter - BNT - Non-Compete
 with knowledge
 of Ethepharm

HIGHLY CONFIDENTIAL

BENTL001474

Fax émis par : 33141121797

ETHYPHARM ST CLOUD

A4-A4

03/04/98

17:00

Pg: 1/10

B212

ETHYPHARM
Marques de la Ensanada 16
28004 Madrid

Tél. : 34 91 308 56 81

Fax : 34 91 3 19 91 59

Date : 03/04/1998

Nb pages :

From : Adolfo de Basilio

To : C. Gonzalez

Fax : 38876 47

Company : Belmac

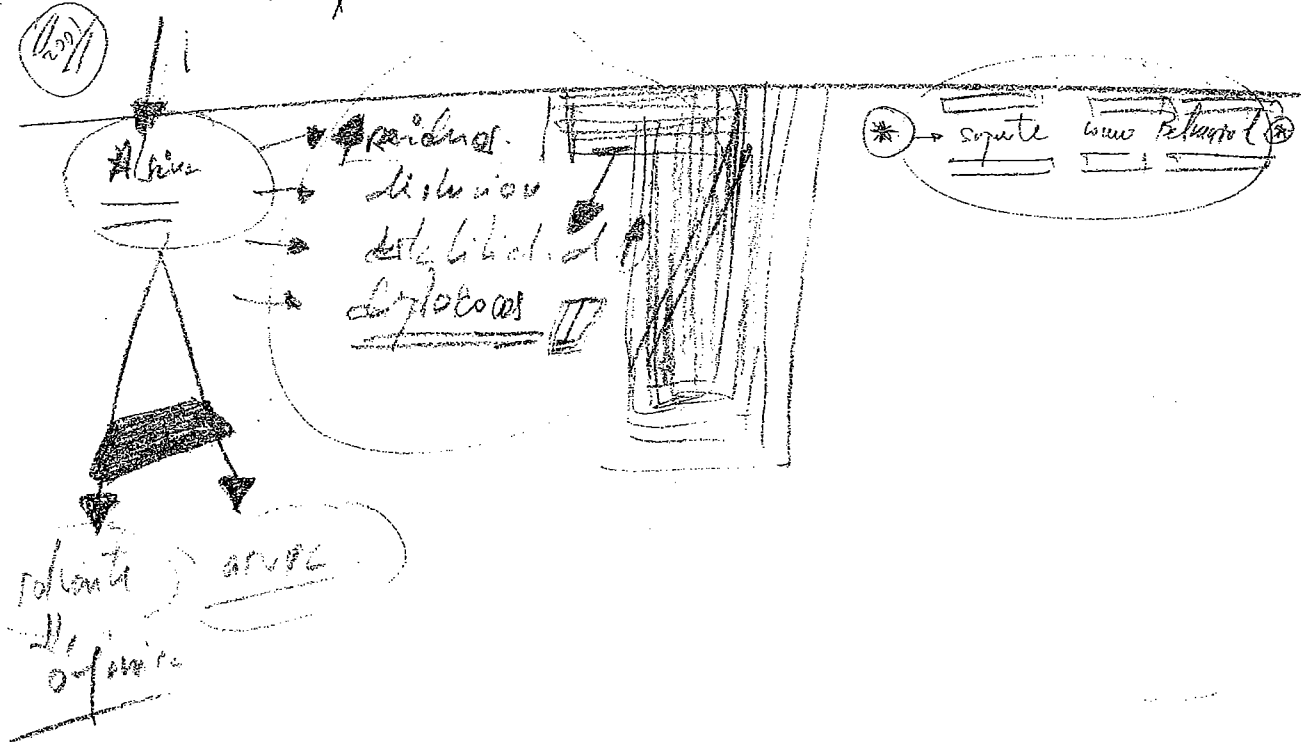
MESSAGE

Señor

A continuación pasamos la carta que Ethypharm propone para su firma por Belmac y Bentley y el borrador de contrato para Omeprazol.

Saludos

Adolfo de Basilio



EXHIBIT

18

03/04 '98 17:03

N° TX/RX7597

P.001

CONFIDENTIAL

BEL000257

B213

ETHYPHARM
Marques de la Ensenada 16
28004 Madrid

Tel: 34 91 308 56 81
Fax: 34 91 3 19 91 59

Date: 04/03/1998

No. Pages:

From: Adolfo de Basilio

To: C. Gonzalez

Fax: 38876 47

Company: Belmac

MESSAGE

Sir,

Attached is the letter that Ethypharm proposes for signature by Belmac and Bentley and the draft of the contract for Omeprazol.

Regards,

Adolfo de Basilio

(handwriting illegible)

BEL000257

Fax émis par : 33141121797

ETHYPHARM ST CLOUD A4->A4 03/04/98 17:00 Pg: 2/10

B214

D. Clemente GONZALES AZPEITA, in the name and in representation of LABORATORIOS BELMAC S.A., with registered office in Monteraaron, N°9 28033 MADRID (Spain) and with tax identification Number A- 78964038, as General Manager

Mr James R. MURPHY in the name and representation of BENTLEY PHARMACEUTICALS INC. - with registered office in One Urban Centre, Suite 548, 4830 Wes Kennedy Boulevard, TAMPA - FLORIDA 33609-2562 - USA as Chairman and Chief Executive Officer

HEREBY CERTIFIES THAT

ETHYPHARM S.A. (Spain) (« ETHYPHARM ») has a manufacturing agreement with LABORATORIOS BELMAC S.A. for manufacturing omeprazole pellets in LABORATORIOS BELMAC S.A.'s plant in Zaragoza.

LABORATORIOS BELMAC S.A. is audited regularly by ETHYPHARM to assure that GMP are followed under ETHYPHARM's Q.A. requirements.

ETHYPHARM owns, among other elements, the manufacturing and control methods, processes, the technology and know-how (« the Information ») for a certain number of products in pellets among which Omeprazole pellets and its derivatives (« the Products ») and is the owner of the machinery and certain control equipment employed by LABORATORIOS BELMAC S.A. for the manufacturing of said Products.

Said Information has been transmitted to LABORATORIOS BELMAC S.A. by ETHYPHARM only for the purpose of manufacturing the Products for ETHYPHARM's customers including LABORATORIOS BELMAC S.A. within the framework of agreements between the parties.

As a consequence, LABORATORIOS BELMAC S.A., and any of its related companies, among which BENTLEY PHARMACEUTICALS Inc., undertakes not to divulge the Information to third parties and not to use any of the Information and machinery for any other purpose than the manufacturing of the Products for ETHYPHARM's customers.

LABORATORIOS BELMAC S.A. recognizes that all the information and machinery is the sole property of Ethypharm and that LABORATORIOS BELMAC S.A. shall stop using it and return it immediately to ETHYPHARM upon termination of the collaboration between LABORATORIOS BELMAC S.A. and ETHYPHARM.

In the event of a breach of the present undertaking ETHYPHARM reserves the right to claim for damages.

03/04 '98 17:03
CONFIDENTIAL

N° TX/RX7597

P.002

BEL000256

Fax émis par : 33141121797

ETHYPHARM ST CLOUD

A4->A4

03/04/98

17:00

Pg: 3/10

B215

Supply Contract

BETWEEN THE UNDERSIGNED :

■ ETHYPHARM S.A. Spain, Centro Colon (1220), 28004 MADRID, SPAIN

Represented by its President : Mr. Patrice DEBREGEAS

Hereinafter called **ETHYPHARM**

OF THE FIRST PART

AND :

■

Represented by its:

Hereinafter called **THE LABORATORY**

OF THE SECOND PART

03/04 '98 17:03

N° TX/RX7597

P.003

CONFIDENTIAL

BEL000258

Fax émis par : 33141121797

ETHYPHARM ST CLOUD

A4->A4

03/04/98

17:00

Pg: 1/18

B216

ETHYPHARM
Marques de la Ensanada 16
28004 Madrid

Tel. : 34 91 308 56 81

Fax : 34 91 3 19 91 59



Date : 03/04/1998

Nb pages :

From : Adolfo de Basilio

To : C. Gonzalez

Fax : 38876 47

Company : Belmac

MESSAGE

Señor

A continuación pasamos la carta que Ethypharm propone para su firma por Belmac y Bentley y el borador de contrato para Omeprazol.

Saludos

Adolfo de Basilio

03/04 '98 17:03
CONFIDENTIAL

Nº TX/RX7597

P.001

BEL000259

B217

ETHYPHARM
Marques de la Ensenada 16
28004 Madrid

Tel: 34 91 308 56 81
Fax: 34 91 3 19 91 59

Date: 04/03/1998

No. Pages:

From: Adolfo de Basilio

To: C. Gonzalez

Fax: 38876 47

Company: Belmac

MESSAGE

Sir,

Attached is the letter that Ethypharm proposes for signature by Belmac and Bentley and the draft of the contract for Omeprazol.

Regards,

[Signature]

Adolfo de Basilio

BEL000259

Fax émis par : 33141121797

ETHYPHARM ST CLOUD

A4->A4

03/04/98

17:00

Pg: 3/10

B218

Supply Contract

BETWEEN THE UNDERSIGNED :

■ ETHYPHARM S.A. Spain, Centro Colon (1220), 28004 MADRID, SPAIN

Represented by its President : Mr. Patrice DEBREGEAS

Hereinafter called **ETHYPHARM**

OF THE FIRST PART

AND :

■
Represented by its:

Hereinafter called **THE LABORATORY**

OF THE SECOND PART

03/04 '98 17:03
CONFIDENTIAL

N° TX/RX7597

P.003

BEL000260

B219

ETHYPHARM has developed the pharmaceutical formulation of the Product defined in Annex A and hereinafter called "the Product".

THE LABORATORY has been granted a marketing authorisation for the Product, hereinafter referred to as "the Marketing Authorisation" in

THE LABORATORY is interested in receiving all its needs in the Product from **ETHYPHARM** for its distribution in the Territory. **ETHYPHARM** agrees to supply **THE LABORATORY** with the Product for, hereinafter referred to as "the Territory", under the conditions set forth in the present Contract provided **THE LABORATORY** undertakes to order all its supplies in Product for the Territory exclusively from **ETHYPHARM** and comply with the terms of the present Contract.

Therefore, it has been agreed as follows :

Article I - Supply.

During the period of this Contract **ETHYPHARM** will supply for the Territory, such quantities of the Product as will be required by **THE LABORATORY**.

Article II - Exclusivity.

The counterpart of the engagement of guaranteed supplies by **ETHYPHARM** to **THE LABORATORY** under article I above is that **THE LABORATORY** will take all its supplies exclusively from **ETHYPHARM** or from another supplier designated by **ETHYPHARM** for all its needs of the Product in the Territory in order to guarantee the quality of the Product. Moreover, **THE LABORATORY** may not directly or indirectly manufacture microgranules constituting the Product. ?

Article III - Orders.

III.1. THE LABORATORY will place its orders at least four (4) months in advance according to its predicted annual requirement, revised every six (6) months.

The said predicted annual requirement will be communicated by **THE LABORATORY** for information purposes, sixty (60) days before the start of each calendar year and will not constitute a firm commitment by **THE LABORATORY**.

- 2 -

Fax émis par : 33141121797

ETHYPHARM ST CLOUD

A4->A4 03/04/98 17:00 Pg: 5/10

B220

Each order placed by **THE LABORATORY** will bear the exact quantity ordered, the delivery date and the address at which the Product must be sent.

The orders will be considered as firm and irrevocable and will bind **ETHYPHARM** as soon as accepted in writing.

ETHYPHARM shall accept and deliver all the orders according to the program established by **THE LABORATORY** unless the quantities ordered are substantially different from the quantities indicated in **THE LABORATORY**'s forecasts for the year of the Contract and provided that **ETHYPHARM** receives the order a minimum of four (4) months before the delivery date.

THE LABORATORY shall at all times keep adequate stock of the Product to meet the market demand in the Territory. These adequate stocks shall be sufficient for covering the estimated requirement for at least four (4) months.

III.2. In the event of being unable to fulfil its obligations as supplier, for whatever reason, **ETHYPHARM** undertakes to inform **THE LABORATORY** with the minimum delay possible and to find another supplier within a maximum of sixty (60) days. The latter will deliver the order within thirty (30) days on the same terms and conditions.

III.3. Technical and pharmaceutical responsibility and obligations of the parties will be fully detailed in an "Agreement on Contract Manufacturing of Drug" to be established between the technicians of the parties.

Article IV - Prices.

The supply price of the Product invoiced by **ETHYPHARM** to **THE LABORATORY** will be determined by mutual agreement between the parties according to the conditions set out in Annex B hereto.

Article V - Liability.

ETHYPHARM shall accept responsibility for any claims covered by and limited to the guarantees specified in the insurance policy annexed hereto arising out of latent or hidden defects in the Product which could not have been reasonably discovered by **THE LABORATORY**'s inspection but will not be held responsible for any side effect currently unknown inherent to the characteristics of the Product which is manufactured strictly in accordance with the provisions defined by the registration files accepted by the local Regulatory Authorities.

- 3 -

03/04 '98 17:03
CONFIDENTIAL

N° TX/RX7597

P.005

BEL000262

B221

Article VI - Indemnity.

THE LABORATORY shall be exclusively liable for any damages, claims or losses from which **THE LABORATORY** may suffer by reason of improper packaging, storage, re-packaging, distribution, promotion, marketing and advertising of the Product in the Territory. **ETHYPHARM** will, however, be responsible as to the good manufacturing practice and good storage facilities in its plant and warehouses until the goods are collected by **THE LABORATORY**.

Article VII - Product recall and adverse reactions.

Each party shall use reasonable endeavours to obtain and record written medical confirmation and relevant details of all suspected or alleged reactions to the Product (hereinafter called "Adverse Reactions") and shall ensure by means of a written log that all such cases and the dossier relative to it is uniquely identified and retrievable.

Article VIII - Quality.

VIII.1. ETHYPHARM shall be responsible for ensuring that, when released by **ETHYPHARM**, the Product accord to the specifications set out in Annex A hereto. If the Product is found not to comply with the specifications by local testing authorities, within one (1) month from receipt by **THE LABORATORY** of the Product, **THE LABORATORY** shall have the right to demand a refund or replacement thereof and to return the defective quantity to **ETHYPHARM** at **ETHYPHARM**'s expense. In case of disagreement between the parties as to the compliance of the Product with the specifications, the parties agree to have the Product controlled by an independent expert chosen by the parties and acceptable to the local testing authorities. The results of such retesting will be binding and the party found in default will bear the costs of retesting and replacement of the Product.

VIII.2. THE LABORATORY and the competent Authorities of the Territory will have the right to inspect **ETHYPHARM**'s production of the Product, at any time, following reasonable notice and during office hours.

Article IX - Insurance.

ETHYPHARM and **THE LABORATORY** warrant that they hold adequate products liability insurance in respect of any claims which may be brought against **ETHYPHARM** or **THE**

- 4 -

B222

LABORATORY in relation to the Product and will supply each other with a copy of the relevant policy on request.

Article X - Duration.

This Contract shall be effective immediately upon its signature and shall remain into effect for a period of ten (10) years from the date of first launch of the Product in the Territory. ^{new techol-}

At the end of this initial period of ten (10) years, this Contract will be automatically renewed per periods of three (3) years unless terminated by any of the parties twelve (12) months prior to the end of the initial period or any of the renewal period by registered mail.

Article XI - Termination.

Each party reserves the right to cancel this Contract at any time and without indemnification if the other party commits a material breach of its obligations and fails to remedy this breach within ninety (90) days of the notification of said breach by registered letter.

Article XII - Confidentiality.

All the information relative to the Product or to the know-how communicated by **ETHYPHARM** to **THE LABORATORY**, will be considered by **THE LABORATORY** as strictly confidential and will not be divulged by **THE LABORATORY** to third parties without prior agreement in writing by **ETHYPHARM**. The subsidiaries, licensees, or overseas agents of **THE LABORATORY** outside the Territory are considered as third parties.

This obligation shall continue for five (5) years beyond the expiry of this Contract for any reason. Nevertheless, it will not apply to information which must be given to physicians for sales purposes or to the authorities for the purpose of registering the Product in the Territory.

Article XIII- Contractual relationship.

XIII. This Supply Contract constitutes the whole agreement between the parties and replaces any former agreement relative to the same subject. Modifications to this Contract will be made in writing only, and will have to be accepted and signed by both parties.

XIII. If one of the provisions of the present Supply Contract interferes with local legislation in force in the Territory, then this particular provision will be modified by the parties in order to comply with local legislation. This modification will not affect the other provisions of this Contract.

- 5 -

émis par : 33141121797 ETHYPHARM ST CLOUD A4->A4 03/04/98 17:00 Pg: 8/18

B223

Article XIV - Jurisdiction.

In the event of difficulties between the parties as to the interpretation of this Agreement, the parties agree to submit these difficulties to the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the Rules and decisions of the ICC. The arbitrator (s)' decisions shall be binding on both parties hereto.

The applicable law will be Spanish law and arbitration place will be Madrid (Spain). The arbitration proceedings will be conducted in English language.

Article XV - Transfer.

THE LABORATORY may not transfer its rights or obligations arising from this Contract without the prior written consent of ETHYPHARM.

Article XVI - Costs and fees.

The costs and fees of any possible registration or legalisation of this Contract are to be borne by THE LABORATORY.

Signed in
For :

Date :
For : ETHYPHARM S.A. Spain
Patrice DEBREGEAS
President

- 6 -

03/04 '98 17:03

N° TX/RX7597

P.008

CONFIDENTIAL

BEL000265

Fax émis par : 33141121797 ETHYPHARM ST CLOUD A4->A4 03/04/98 17:00 Pg: 18/18

B224

Annex B to the Supply Contract between

..... and **ETHYPHARM S.A. Spain**

The supply exclusivity defined in Article II means that **THE LABORATORY** will take exclusively from **ETHYPHARM** all its requirements of the Product.

1.1. The supply price of the Product, delivered in, is expressed and fixed at :

- 20 mg : per thousand doses taxes excluded.

This price includes

Moreover, it is valid for minimum batches of doses corresponding to

1.2. Should **THE LABORATORY** wish to order a smaller quantity than the standard batch above mentioned **ETHYPHARM** may apply a supplement of 30 % of the price if the quantity lies between 50 % and 100 % of a normal batch and a supplement of 50 % of the price if the quantity ordered is less than 50 % of the normal batch.

2. All payments will be made by within from date of shipment of goods from **ETHYPHARM** (date of AWB for example).

3. The price set out in this Annex is guaranteed until and will vary each year in accordance with the salary increase of the "Convenio de la Industria Quimica" in Spain.

- 8 -

03/04 '98 17:03

N° TX/RX7597

P.010

CONFIDENTIAL

BEL000266

Fax émis par : 33141121797

ETHYPHARM ST CLOUD

04-04 03/04/98 17:00 Pg: 4/10

B225

ETHYPHARM has developed the pharmaceutical formulation of the Product defined in Annex A and hereinafter called "the Product" *microgranules de suspensions*.

THE LABORATORY has been granted a marketing authorisation for the Product, hereinafter referred to as "the Marketing Authorisation" in.....

THE LABORATORY is interested in receiving all its needs in the Product from ETHYPHARM ~~for its distribution~~ in the Territory. ETHYPHARM agrees to supply THE LABORATORY with the Product for, hereinafter referred to as "the Territory", under the conditions set forth in the present Contract provided THE LABORATORY undertakes to order all its supplies in Product for the Territory exclusively from ETHYPHARM and comply with the terms of the present Contract.

Therefore, it has been agreed as follows :

Article I - Supply. *→ indépendante de double de fabrication*

During the period of this Contract ETHYPHARM will supply for the Territory, such quantities of the Product as will be required by THE LABORATORY. *in*

Article II - Exclusivity.

The counterpart of the engagement of guaranteed supplies by ETHYPHARM to THE LABORATORY under article I above is that THE LABORATORY will take all its supplies exclusively from ETHYPHARM or from another supplier designated by ETHYPHARM for all its needs of the Product in the Territory in order to guarantee the quality of the Product. Moreover, ~~THE LABORATORY may not directly or indirectly manufacture microgranules constituting the Product.~~ *→ six la composition de Ethypharm.*

Article III - Orders.

III.1. THE LABORATORY will place its orders at least four (4) months in advance according to its predicted annual requirement, revised every six (6) months.

The said predicted annual requirement will be communicated by THE LABORATORY for information purposes, sixty (60) days before the start of each calendar year and will not constitute a firm commitment by THE LABORATORY.

- 2 -

03/04 '98 17:03

N° TX/RX7597

P.004

CONFIDENTIAL

BEL000267

B226

[HANDWRITTEN NOTATIONS]

Illegible

Omeprazole microgranules

Independent from where it manufactures

Illegible

Without Ethypharm's conformity

BEL000267

Fax émis par : 33141121797

ETHYPHARM ST CLOUD

A4->A4 03/04/98 17:00 Pg: 5/10

B227

Each order placed by **THE LABORATORY** will bear the exact quantity ordered, the delivery date and the address at which the Product must be sent.

The orders will be considered as firm and irrevocable and will bind **ETHYPHARM** as soon as accepted in writing.

→ **ETHYPHARM** shall accept and deliver all the orders according to the program established by **THE LABORATORY** unless the quantities ordered are substantially different from the quantities indicated in **THE LABORATORY**'s forecasts for the year of the Contract and provided that **ETHYPHARM** receives the order a minimum of four (4) months before the delivery date.

THE LABORATORY shall at all times keep adequate stock of the Product to meet the market demand in the Territory. These adequate stocks shall be sufficient for covering the estimated requirement for at least four (4) months.

III.2. In the event of being unable to fulfil its obligations as supplier, for whatever reason, **ETHYPHARM** undertakes to inform **THE LABORATORY** with the minimum delay possible and to find another supplier within a maximum of sixty (60) days. The latter will deliver the order within thirty (30) days on the same terms and conditions.

III.3. Technical and pharmaceutical responsibility and obligations of the parties will be fully detailed in an "Agreement on Contract Manufacturing of Drug" to be established between the technicians of the parties.

Article IV - Prices

The supply price of the Product invoiced by **ETHYPHARM** to **THE LABORATORY** will be determined by mutual agreement between the parties according to the conditions set out in Annex B hereto.

Article V - Liability.

ETHYPHARM shall accept responsibility for any claims covered by and limited to the guarantees specified in the insurance policy annexed hereto arising out of latent or hidden defects in the Product which could not have been reasonably discovered by **THE LABORATORY**'s inspection but will not be held responsible for any side effect currently unknown inherent to the characteristics of the Product which is manufactured strictly in accordance with the provisions defined by the registration files accepted by the local Regulatory Authorities.

B228

[HANDWRITTEN NOTATIONS]

And Ethypharm

Illegible

Ignacio = omeprazol price

BEL000268

Fax émis par : 33141121797

ETHYPHARM ST CLOUD

A4->A4 03/04/98 17:08

Pg: 6/18

B229

Article VI - Indemnity.

THE LABORATORY shall be exclusively liable for any damages, claims or losses from which THE LABORATORY may suffer by reason of improper packaging, storage, re-packaging, distribution, ~~promotion, marketing and advertising~~ of the Product in the Territory.

→ ETHYPHARM will, however, be responsible as to the good manufacturing practice and good storage facilities in its plant and warehouses until the goods are collected by THE LABORATORY. (X)

Article VII - Product recall and adverse reactions.

Each party shall use reasonable endeavours to obtain and record written medical confirmation and relevant details of all suspected or alleged reactions to the Product (hereinafter called "Adverse Reactions") and shall ensure by means of a written log that all such cases and the dossier relative to it is uniquely identified and retrievable.

Article VIII - Quality.

VIII.1. ETHYPHARM shall be responsible for ensuring that, when released by ETHYPHARM, the Product accord to the specifications set out in Annex A hereto. If the Product is found not to comply with the specifications ~~by local testing authorities~~, within one (1) month from receipt by THE LABORATORY of the Product, THE LABORATORY shall have the right to demand a refund or replacement thereof and to return the defective quantity to ETHYPHARM at ETHYPHARM's expense. In case of disagreement between the parties as to the compliance of the Product with the specifications, the parties agree to have the Product controlled by an independent expert chosen by the parties ~~and acceptable to the local testing authorities~~. The results of such retesting will be binding and the party found in default will bear the costs of retesting and replacement of the Product. (X)

VIII.2. THE LABORATORY and the competent Authorities of the Territory will have the right to inspect ETHYPHARM's production of the Product, at any time, following reasonable notice and during office hours.

Article IX - Insurance.

ETHYPHARM and THE LABORATORY warrant that they hold adequate products liability insurance in respect of any claims which may be brought against ETHYPHARM or THE

- 4 -

23

Figeas arbitre
M. H. Cady.

03/04 '98 17:03

N° TX/RX7597

P.006

CONFIDENTIAL

BEL000269

B230

[HANDWRITTEN NOTATIONS]

Illegible

Let's fix arbitration, illegible

BEL000269

Fax émis par : 33141121797

ETHYPHARM ST CLOUD A4-A4 03/04/98 17:00 Pg: 7/10

4 ans y réamor/les

B231

LABORATORY in relation to the Product and will supply each other with a copy of the relevant policy on request.

Article X - Duration.

This Contract shall be effective immediately upon its signature and shall remain into effect for a period of ten (10) years from the date of first launch of the Product in the Territory.

At the end of this initial period of ten (10) years, this Contract will be automatically renewed per periods of three (3) years unless terminated by any of the parties twelve (12) months prior to the end of the initial period or any of the renewal period by registered mail.

Article XI - Termination.

Each party reserves the right to cancel this Contract at any time and without indemnification if the other party commits a material breach of its obligations and fails to remedy this breach within ninety (90) days of the notification of said breach by registered letter.

Article XII - Confidentiality.

All the information relative to the Product or to the know-how communicated by **ETHYPHARM** to **THE LABORATORY**, will be considered by **THE LABORATORY** as strictly confidential and will not be divulged by **THE LABORATORY** to third parties without prior agreement in writing by **ETHYPHARM**. The subsidiaries, licensees, or overseas agents of **THE LABORATORY** outside the Territory are considered as third parties.

This obligation shall continue for five (5) years beyond the expiry of this Contract for any reason. Nevertheless, it will not apply to information which must be given to physicians for sales purposes or to the authorities for the purpose of registering the Product in the Territory.

Article XIII - Contractual relationship.

XIII. This Supply Contract constitutes the whole agreement between the parties and replaces any former agreement relative to the same subject. Modifications to this Contract will be made in writing only, and will have to be accepted and signed by both parties.

XIII. If one of the provisions of the present Supply Contract interferes with local legislation in force in the Territory, then this particular provision will be modified by the parties in order to comply with local legislation. This modification will not affect the other provisions of this Contract.

03/04 '98 17:03

N° TX/RX7597

P.007

CONFIDENTIAL

BEL000270

[HANDWRITTEN NOTATIONS]

4 years and ... illegible

12 months

4 years and ... illegible

BEL000270

Fax émis par : 33141121797

ETHYPHARM ST CLOUD

A4->A4

03/04/98

17:00

Pg: 8/10

B233

Article XIV - Jurisdiction.

In the event of difficulties between the parties as to the interpretation of this Agreement, the parties agree to submit these difficulties to the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the Rules and decisions of the ICC. The arbitrator (s)' decisions shall be binding on both parties hereto.

The applicable law will be Spanish law and arbitration place will be Madrid (Spain). The arbitration proceedings will be conducted in English language.

Article XV - Transfer.

THE LABORATORY may not transfer its rights or obligations arising from this Contract without the prior written consent of ETHYPHARM.

Article XVI - Costs and fees.

The costs and fees of any possible registration or legalisation of this Contract are to be borne by THE LABORATORY.

Signed in
For :

Date :
For : ETHYPHARM S.A. Spain
Patrice DEBREGAS
President

- 6 -

03/04 '98 17:03

N° TX/RX7597

P.008

CONFIDENTIAL

BEL000271

B234

[HANDWRITTEN NOTATIONS]

On bench
Illegible

BEL000271

Fax émis par : 33141121797

ETHYPHARM ST CLOUD

A4->A4 03/04/98 17:00 Pg: 9/10

B235

Annex A to the Supply Contract Between

..... and ETHYPHARM S.A. Spain

OMEPRazole 20 mg per dose in the form of microgranules according to the specification
~~established by the analytical dossier~~

*a la formulation
pharmaceutique*

—
—
—
—
(*) Formulation (*)

- 7 -

03/04 '98 17:03

N° TX/RX7597

P.009

CONFIDENTIAL

BEL000272

[HANDWRITTEN NOTATIONS]

To the following formulation:
Formulation

BEL000272

Fax émis par : 33141121797

ETHYPHARM ST CLOUD

A4->A4 03/04/98 17:00 Pg: 10/10

B237

Annex B to the Supply Contract between..... and **ETHYPHARM S.A. Spain**

The supply exclusivity defined in Article II means that **THE LABORATORY** will take exclusively from **ETHYPHARM** all its requirements of the Product.

- 1.1. The supply price of the Product, delivered in, is expressed and fixed at :

- 20 mg : per thousand doses taxes excluded.

This price includes

Moreover, it is valid for minimum batches of doses corresponding to

- 1.2. Should **THE LABORATORY** wish to order a smaller quantity than the standard batch above mentioned **ETHYPHARM** may apply a supplement of 30 % of the price if the quantity lies between 50 % and 100 % of a normal batch and a supplement of 50 % of the price if the quantity ordered is less than 50 % of the normal batch.

2. All payments will be made by within from date of shipment of goods from **ETHYPHARM** (date of AWB for example).

3. The price set out in this Annex is guaranteed until and will vary each year in accordance with the salary increase of the "Convenio de la Industria Quimica" in Spain.

Conditions annexes
minimales

- 8 -

03/04 '98 17:03

N° TX/RX7597

P.010

CONFIDENTIAL

BEL000273

B238

[HANDWRITTEN NOTATIONS]

Illegible

Payment conditions

Maximum and minimum conditions

BEL000273

B239

ETHYPHARM

*Marqués de la Ensenada, 16. 28004 Madrid-España
Tel: (1) 308 56 81 Fax: (1) 319 91 59*

FAX:	Date: 06.04.98	Pgs: 2
DE: Adolfo De Basilio	A: Sr. Murphy CIA: <i>Belmar</i>	

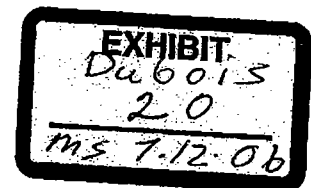
Ref:

We are pleased to send you the last minute modifications made by Mr. Leduc to the text that we sent last friday.

Please send your comments/corrections or send it back duly signed in a letter with your heading.

Thank you, Best regards.

Adolfo De Basilio
Adolfo De Basilio



EP 003262

D. Clemente GONZALES AZPEITA, in the name and in representation of LABORATORIOS BELMAC S.A., with registered office in Monteraaron, N°9 28033 MADRID (Spain) and with tax identification Number A- 78964038, as General Manager

Mr James R. MURPHY in the name and representation of BENTLEY PHARMACEUTICALS INC. - with registered office in One Urban Centre, Suite 548, 4830 Wes Kennedy Boulevard, TAMPA - FLORIDA 33609-2562 - USA as Chairman and Chief Executive Officer

HEREBY CERTIFIES THAT

ETHYPHARM S.A. (Spain) (« ETHYPHARM ») has a manufacturing agreement with LABORATORIOS BELMAC S.A. for manufacturing omeprazole pellets and a certain number of other products developed by ETHYPHARM in LABORATORIOS BELMAC S.A.'s plant in Zaragoza.

LABORATORIOS BELMAC S.A. is audited regularly by ETHYPHARM to assure that GMP are followed under ETHYPHARM's Q.A. requirements.

ETHYPHARM owns, in addition to patents relating to formulation and processed and among other elements, the manufacturing and control methods, processes, the technology and know-how (« the Information ») for a certain number of products in pellets among which Omeprazole pellets and its derivatives (« the Products ») and is the owner of the machinery and certain control equipment employed by LABORATORIOS BELMAC S.A. for the manufacturing of said Products.

Said Information has been transmitted to LABORATORIOS BELMAC S.A. by ETHYPHARM only for the purpose of manufacturing the Products for ETHYPHARM's customers including LABORATORIOS BELMAC S.A. within the framework of agreements between the parties and under strict confidentiality terms.

As a consequence, LABORATORIOS BELMAC S.A., and any of its related companies, among which BENTLEY PHARMACEUTICALS Inc., undertakes not to divulge the Information to third parties and not to use any of the Information and machinery for any other purpose than the manufacturing of the Products for ETHYPHARM's customers .

LABORATORIOS BELMAC S.A. recognizes that all the information and machinery is the sole property of Ethypharm and that LABORATORIOS BELMAC S.A. shall stop using it and return it immediately to ETHYPHARM upon termination of the collaboration between LABORATORIOS BELMAC S.A. and ETHYPHARM.